

**CF SPARKS CARMARTHEN LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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**CF SPARKS CARMARTHEN LIMITED**

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**COMPANY INFORMATION**

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**Directors** Nicholas Paul Fegan  
Christopher Carl Linkas

**Company secretary** Nicholas Paul Fegan

**Registered number** 10368467

**Registered office** 7 Clarges Street  
London  
United Kingdom  
W1J 8AE

**Trading Address** 14 Red Street  
Carmarthen Limited  
United Kingdom  
SA31 1RS

**Independent auditors** HSOC Accountants Limited  
Chartered Accountants  
90 Upper George's Street  
Dun Laoghaire  
Co. Dublin  
Ireland  
A96 R8R9

**Property managers** Workman LLP  
Suite J1  
34 Eaton Avenue  
Matrix Business Park  
Chorley  
United Kingdom  
PR7 7NA

**Bankers** Wells Fargo  
33 King William Street  
London  
United Kingdom  
EC4R 9AT

**Solicitors** Hogan Lovells International LLP  
Atlantic House  
Holborn Viaduct  
London  
United Kingdom  
EC1A 2FG

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**CF SPARKS CARMARTHEN LIMITED**

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## **CF SPARKS CARMARTHEN LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Qualifying third party indemnity provisions**

A qualifying third party indemnity provision as defined in Section 232 (2) of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained on behalf of the group throughout the financial year.

#### **Directors**

The Directors who served during the year were:

Nicholas Paul Fegan  
Christopher Carl Linkas

#### **Political contributions**

The Company made no political contributions during the year ended 31 December 2020 (2019: Stg£ Nil).

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no events since the year end that result in the requirement to adjust the financial statements.

**Global pandemic**

The outbreak of the novel coronavirus and ensuing global pandemic continues to adversely impact global commercial activity. More than one year on from the initial outbreak, many countries continue to impose quarantines and restrictions on travel. The pandemic and measures to tackle it has had an adverse impact on economic and market conditions and has triggered a period of global economic slowdown.

Notwithstanding the approval of various vaccines, the pandemic continues to present a risk with respect to the Company's performance and financial position. In relation to the assumptions and estimation uncertainty associated with the measurement of various assets and liabilities in the financial statements, management continue to apply their best efforts to take account of all known factors that may impact the carrying amount of assets and liabilities.

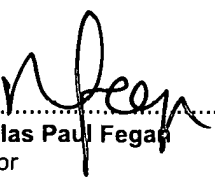
**Auditors**

The auditors, HSOC Accountants Limited, were appointed as first auditors to the company and, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
.....  
**Nicholas Paul Fegan**  
Director

Date: 19.05.2021

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**CF SPARKS CARMARTHEN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CF SPARKS CARMARTHEN LIMITED**

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**Opinion**

We have audited the financial statements of CF Sparks Carmarthen Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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**CF SPARKS CARMARTHEN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CF SPARKS CARMARTHEN LIMITED  
(CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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**CF SPARKS CARMARTHEN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CF SPARKS CARMARTHEN LIMITED  
(CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Shane O'Connell FCA (Senior Statutory Auditor)

for and on behalf of

**HSOC Accountants Limited**

Chartered Accountants

Dublin

Date: 19.05.2021

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**CF SPARKS CARMARTHEN LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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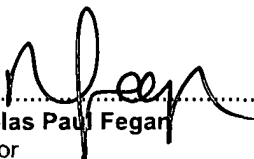
	Note	2020 £	2019 £
Turnover		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(16,395)	(22,300)
Other operating income	4	423,939	417,252
<b>Operating profit</b>		407,544	394,952
Interest expense and similar charges	7	(367,192)	(364,490)
<b>Profit before tax</b>		40,352	30,462
Tax on profit	8	-	(15,353)
<b>Profit for the financial year</b>		40,352	15,109
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		40,352	15,109
The results for the year were in respect of continuing operations.			
The accompanying notes are an integral part of the financial statements.			

**CF SPARKS CARMARTHEN LIMITED**  
**REGISTERED NUMBER: 10368467**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Current assets</b>					
Inventory	9	4,146,611		4,146,611	
Debtors: amounts falling due within one year	10	78,528		60,051	
		<u>4,225,139</u>		<u>4,206,662</u>	
Creditors: amounts falling due within one year	11	(94,892)		(143,880)	
<b>Net current assets</b>			<u>4,130,247</u>		<u>4,062,782</u>
<b>Total assets less current liabilities</b>			<u>4,130,247</u>		<u>4,062,782</u>
Creditors: amounts falling due after more than one year	12		(3,937,220)		(3,910,107)
			<u>193,027</u>		<u>152,675</u>
<b>Net assets</b>			<u><u>193,027</u></u>		<u><u>152,675</u></u>
<b>Capital and reserves</b>					
Called up share capital	13		1		1
Retained earnings	14		<u>193,026</u>		<u>152,674</u>
			<u><u>193,027</u></u>		<u><u>152,675</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
**Nicholas Paul Fegan**  
 Director

Date: 19.05.2021

The accompanying notes are an integral part of the financial statements.

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**CF SPARKS CARMARTHEN LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	1	152,674	152,675
<b>Comprehensive income for the year</b>			
Profit for the year	-	40,352	40,352
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	40,352	40,352
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2020</b>	<b>1</b>	<b>193,026</b>	<b>193,027</b>

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**CF SPARKS CARMARTHEN LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	1	137,565	137,566
<b>Comprehensive income for the year</b>			
Profit for the year	-	15,109	15,109
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	15,109	15,109
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2019</b>	<b>1</b>	<b>152,674</b>	<b>152,675</b>

The accompanying notes are an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

CF Sparks Carmarthen Limited (the "Company") is a limited liability company incorporated on 9 September 2016 and domiciled in the United Kingdom.

The registered office address is 7 Clarges Street, London, W1J 8AE, United Kingdom. The business address is 14 Red Street, Carmarthen, SA31 1RS, United Kingdom.

The principal activity of the Company is the acquisition of leased commercial properties for the purpose of selling within the short term. Ancillary to the primary objective of the Company is the continued leasing of these properties.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Standards, amendments and interpretations effective during the current year

The following new standards, amendments and interpretations became effective as of 1 January 2020:

- Amendments to IFRS Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform - Phase 1
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 16 Covid-19 Related Rent Concessions\*

\*Effective for annual periods beginning on or after 1 June 2020.

None of the above amendments and annual improvements had a material impact on the financial statements of the Group and/or Company.

The functional and presentation currency of the Company is the British Pound (also referred to as "Stg£" or "£") and the level of rounding is to the nearest British pound.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present certain comparative information
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**2.3 Going concern**

Given the unpredictability of the potential impact of the novel coronavirus outbreak, the Directors considered if there were material uncertainties that cast significant doubt on the entity's ability to operate under the going concern basis.

In concluding that adequate financial resources will be available to enable the Company to discharge its liabilities as and when they fall due, the Directors have considered:

- the current level of available cash;
- the nature of outstanding liabilities in view of the fact that the largest element of the Company's outstanding liabilities consist of amounts payable to its parent company.

Further, the parent company has provided a letter of financial support which states that it will provide the necessary financial support to enable the Company to meet its financial obligations and thus continue in operational existence a going concern for a period of at least 12 months from the date of approval of these financial statements.

On the basis of the above, the Directors are satisfied it is appropriate to prepare the financial statements of the Company on a going concern basis.

**2.4 Revenue**

Revenue is recognised on an accruals basis as earned. Revenue comprises the fair value of consideration received or receivable for the sale of inventories in the ordinary course of the Company's activities to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.5 Operating leases: the Company as lessor**

Rental income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

Rental income is reported as part of other operating income on the basis that it is considered ancillary to the principal activities of the company.

**2.6 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

*Deferred Tax*

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.8 Inventories and cost of sales**

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase to include acquisition costs, taxes and duties.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income as part of cost of sales.

Cost of sales comprises the carrying value of properties sold plus any impairment provisions recognised in respect of items of inventory still held at the year end.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.11 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

**At amortised cost**

Financial liabilities at amortised cost including borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

**2.12 Expenses**

Expenses are accounted for on an accrual basis.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Since management's judgement involves making estimates concerning the likelihood of future events, the actual results could differ from those estimates. Estimates and judgements are continually evaluated and revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. The most significant judgements affecting the amounts reported in the financial statements surround:

- the Directors' consideration as to whether properties owned by the Company comprise Inventory versus Investment Property; and
- the Directors' consideration as to whether or not any asset owned by the Company is impaired.

Having considered all the material facts, the Directors are satisfied that any estimates or judgements made are materially correct and reasonable given the Company's circumstances.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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3. Judgments in applying accounting policies (continued)

*Global pandemic*

The outbreak of the novel coronavirus and ensuing global pandemic continues to adversely impact global commercial activity. More than one year on from the initial outbreak, many countries continue to impose quarantines and restrictions on travel. The pandemic and measures to tackle it has had an adverse impact on economic and market conditions and has triggered a period of global economic slowdown.

Notwithstanding the approval of various vaccines, the pandemic continues to present a risk with respect to the Company's performance and financial position. In relation to the assumptions and estimation uncertainty associated with the measurement of various assets and liabilities in the financial statements, management continue to apply their best efforts to take account of all known factors that may impact the carrying amount of assets and liabilities.

4. Other operating income

	2020 £	2019 £
Rental income	423,939	417,252
	<u>423,939</u>	<u>417,252</u>

5. Auditors' remuneration

The Company accrued the following amounts payable to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2020 £	2019 £
Fees for the audit of the Company	5,455	5,770
Fees for tax compliance services	5,454	9,615
	<u>10,909</u>	<u>15,385</u>

6. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - £NIL).

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**CF SPARKS CARMARTHEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**7. Interest expense and similar charges**

	2020 £	2019 £
Interest expense on loan from parent undertaking	367,048	364,509
Interest payment/(received) on tax	144	(19)
	<u>367,192</u>	<u>364,490</u>

**8. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	12,713
Adjustments in respect of previous periods	-	2,640
	<u>-</u>	<u>15,353</u>
<b>Total current tax</b>	<u>-</u>	<u>15,353</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences as explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>40,352</u>	<u>30,462</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	7,667	5,788
<b>Effects of:</b>		
Non-deductible interest	6,974	6,925
Group relief claimed for nil consideration	(14,641)	-
Adjustments to tax charge in respect of prior periods	-	2,640
<b>Total tax charge for the year</b>	<u>-</u>	<u>15,353</u>

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**CF SPARKS CARMARTHEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Taxation (continued)****Factors that may affect future tax charges**

The UK Finance Bill 2020 was enacted in March 2020 stating the standard rate of corporation tax remains 19% for the financial year 2020 and 2021. UK Budget 2021 was released in March 2021, legislation will be introduced in The UK Finance Bill 2021 to set the main Corporation Tax rate at 19% for the financial year 2022 and 25% for the financial year 2023. A small profits rate of 19% will be introduced if Companies with profits £50,000 or less for financial year 2023. Marginal relief applies if Companies with profits between £50,00 and £250,000.

There are no other material undisclosed factors expected to impact on future tax charges.

**9. Inventories**

	2020 £	2019 £
Real estate properties	4,146,611	4,146,611
	<u>4,146,611</u>	<u>4,146,611</u>

In the opinion of the Directors, the difference between purchase price or production cost of inventory and their replacement cost is not material.

**10. Debtors**

	2020 £	2019 £
Prepayments and accrued income	78,528	60,051
	<u>78,528</u>	<u>60,051</u>

**11. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Corporation tax	-	12,713
Other taxation	40,576	20,174
Accruals and deferred income	54,316	110,993
	<u>94,892</u>	<u>143,880</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Amounts owed to parent undertaking	3,937,220	3,910,107
	<u>3,937,220</u>	<u>3,910,107</u>

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due 1-3 years</b>		
Amounts owed to parent undertaking	3,937,220	3,910,107
	<u>3,937,220</u>	<u>3,910,107</u>

The loan from the parent carries a fixed rate of 9.5%. The loan has no fixed maturity date and is classified as being due after 1 year on the basis that the Parent classify the loan as a non-current asset.

**13. Share capital**

	2020 £	2019 £
<b>Shares classified as equity</b>		
<b>Authorised, allotted, called up and fully paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

**14. Reserves****Retained earnings**

Retained earnings represents cumulative gains and losses recognised in the Statement of Comprehensive Income, net of transfers to/from other reserves.

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**15. Commitments under operating leases**

At 31 December 2020, the Company had the following minimum lease receipts under non-cancellable operating leases.

	2020 £	2019 £
Not later than 1 year	413,347	405,440
Later than 1 year and not later than 5 years	1,737,660	1,704,464
Later than 5 years	578,417	1,024,960
	<u>2,729,424</u>	<u>3,134,864</u>

The lease term is 25 years, 8 months and 26 days and runs to 31 March 2027. Rental income is stepped annually and reviewed every 5 years.

**16. Related party transactions**

The Company has availed of the exemption under FRS 101 not to disclose transactions between wholly owned group companies.

**17. Post balance sheet events**

There have been no events since the year end that result in the requirement to adjust the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**18. Controlling party**

The Company is a wholly owned subsidiary of CF Sparks Limited (the "Immediate parent"), a company incorporated in the United Kingdom. The ultimate parent is CF Sparks Holding L.P., a Cayman Islands Limited Partnership with a registered office at PO BOX 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The smallest and largest company in which its results are consolidated is that of the immediate parent whose registered office is 7 Clarges Street, London, W1J 8AE, United Kingdom. These consolidated financial statements are available to the public from the Companies House UK website.

**19. Approval of financial statements**

The Board of Directors approved these financial statements and authorised them for issue on